

Beyond Bureaucracy

*Tools for Transforming
Government*

Washington

October 16-18, 2006

Jim Chrisinger

Iowa Department of Management

WHY?

LETTERS TO THE EDITOR

Manage money responsibly

Since June of last year, more than 1,200 state employees have been removed from the payroll, and there is talk of more. If the state is now functioning well without these positions, why were they on the payroll to begin with?

The primary function of state government is not to

provide jobs to its public, but to provide services to its public with responsible use of tax dollars.

In the future, before asking to raise taxes, show some credibility by being responsible with the tax dollars you already have.

*--Harold Harker Jr.,
Des Moines*

“I don’t want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub.”

Grover Norquist

(cited by Tom Friedman, Minneapolis StarTribune, 9/11/05)

**Oregonians believe
state government
wastes 39 cents out of
every dollar it spends.**

Davis, Hibbitts & Midghall, Inc.-Opinion Research, May 2006

**Only 12% “trust the
state government to do
the right things for the
state.”**

**(11% for local
government/community)**

**Almost three-fourths of
New York residents say
state government is doing
a “fair” or “poor” job
with issues they consider
most important.**

New York Matters Poll, Marist, 2006

What bothers them more?

(a) amount paid in taxes

(b) way the state spends it

What bothers them more?

31% amount paid in taxes

68% way the state spends it

What bothers Americans more?

(a) amount of taxes paid

**(b) how government spends
taxes**

Only 12% said the amount

March 2005 Fox News poll

Public Perceptions of Government

- ✠ The state of government services
- ✠ Negative campaigning
- ✠ A changed press
- ✠ Public scandals
- ✠ An activist, anti-government right

Marc Roberts, Kennedy School of Government, Harvard University

A Perfect Storm

- ✠ Rising costs to educate, medicate, and incarcerate
- ✠ Antiquated revenue structures
(products vs. services; e-commerce;
erosion by special interests)
- ✠ Political climate for tax increases, NOT
- ✠ Competing in a Flat World

**“The trouble with our times
is that the future is not what
it used to be.”**

Paul Valery

**Our paradigm of
government is broken.**

Five Myths of Public Sector Reform

- ✦ **Liberal Myth: “if they’d only give us more money”**
- ✦ **Conservative Myth: “less is better”**
- ✦ **Business Myth: “run it like a business”**
- ✦ **Employee Myth: (see Liberal Myth)**
- ✦ **People Myth: “hire better people”**

Babak Armajani, *Banishing Bureaucracy*

**Our government
works today the
way it was
designed to work.**

19th Century: The Spoils System

- ✦ **Informal and flexible**
- ✦ **Wide open discretion**
- ✦ **Corruption and cronyism**
- ✦ **Democratic and responsive**
- ✦ **Ultimately, not accountable**

20th Century: Bureaucracy

- ✦ Formal, hierarchical, and rigid
- ✦ Rule intensive
- ✦ Lack of discretion
- ✦ “Fair” to all; equal treatment
- ✦ Accountable, especially for money

Bureaucracy: from Business!

- ✦ Scientific Management, “one best way,” Frederick W. Taylor
- ✦ Hierarchical, centrally directed, top-down
- ✦ Rationalized, done to standards
- ✦ Specialization

Business Moves On

- ✦ **Customers rule!**
- ✦ **Flattened organizations; more flexibility; decision-making devolved**
- ✦ **Engage employees' creativity; foster innovation**
- ✦ **Dawning of the Information Age**

Government Does Not

A Better Way . . .

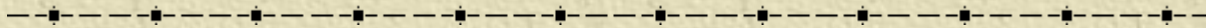
✦ **RESULTS over rules**

✦ **“Customers”**

✦ **Reward performance**

✦ **Harness the power of
choice**

Caught Between Bureaucracy and Transformed Government



CHAOS

Transform Government

(change the DNA)

Transformation Tools

Foundation:
Managing for
Performance /
Results

ACCOUNTABLE GOVERNMENT ACT

Features

- ✦ Strategic Planning**
- ✦ Annual Performance Planning**
- ✦ Return on Investment, Cost-Benefit**
- ✦ Results-Oriented Budgeting**
- ✦ Performance Measurement**
- ✦ Performance Contracting**
- ✦ Performance Audits**
- ✦ Performance Reporting**

Why Legislation

- ✦ **Institutionalize the system**

- ✦ **Bring the executive and legislative branches together**

- ✦ **Create a common language and framework**

**Making
Performance
Most Important**

Build Measures and Data into Accountability

 **Annual Performance Reports**

 **Flexible Performance Agreements**

 **Quarterly Results Meetings**

 **www.resultsiowa.org**



The Vilsack/Pederson

PERFORMANCE REPORT

To all Iowans,

This website is part of our account to you on how we are doing with the responsibilities and resources that you have entrusted to Iowa state government.

In one easily accessible place we are sharing our goals at an enterprise level (The Leadership Agenda), and department by department (Departments' Performance). You can see what we intend to do and the strategies we will use to achieve results (Strategic Plans), as well as how we will measure performance (Performance Plans). Make your own judgments about this information and let us know what you think. We've also shared our own assessment in the memo below.

Tom Vilsack and Sally Pederson

More Iowa Government Resources

- [Vilsack/Pederson Home Page](#)
- [State of Iowa Home Page](#)
- [Iowa Reinvention Site](#)
- [Featured Result](#)

Memo to Iowans about Performance

Their update on the administration's performance.



Go

Vilsack/Pederson Leadership Agenda

The Governor and Lieutenant Governor have identified **5 key goals** for their administration. They've created measurable indicators of success and will regularly track and report on progress.



Go

Department Performance

Each department has a strategic plan, and measures progress on its goals through a performance plan. Each Director has also identified their own top priority goals.



Go


RESULTS IOWA
 Accountability for Iowa

[HOME](#)
[VILSACK/PEDERSON MEMO](#)
[LEADERSHIP AGENDA](#)
[DEPARTMENT PERFORMANCE](#)






New Economy
 Education
 Health
 Safe Communities
 Environment

The Vilsack/Pederson

DEPARTMENT PERFORMANCE**Revenue**Mike Ralston, *Director***Mission Statement:**

To serve Iowans and support government services in Iowa by collecting all taxes required by law, but no more.

More Department Performance

-   Performance Plan - How we measure our progress
-   Strategic Plan - How we plan for progress
-  Performance Report - How we report our progress
- [Department Home Page](#) - Learn more about this department

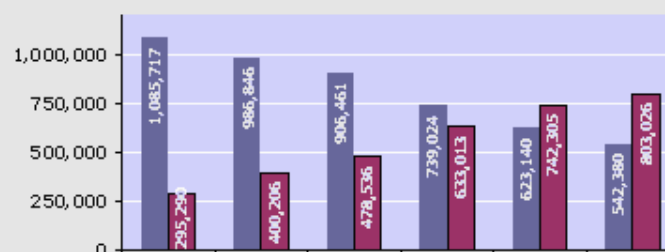
Department Priority Targets:

Highlighted Measure:

Iowa income tax returns -
electronic filing vs. paper filing

Data Source: Dept. of Revenue

**Iowa Individual Income Tax -
Electronic Filing vs. Paper Filing**



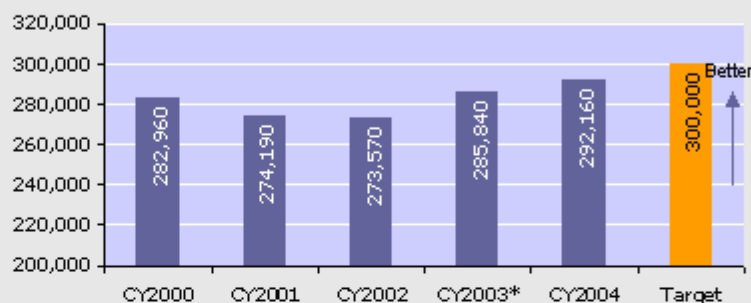
**MEASURE:**

More good jobs require postsecondary education.

Data Source: Labor Market and Economic Research Bureau, Iowa Workforce Development

NOTE: The methodology to measure this goal changed in CY2003 to account for updates in training levels assigned to occupations. Calendar years 2000-2002 will be revised to the new methodology within the first quarter of CY2006.

Number of Jobs Requiring Postsecondary Education and Paying More Than \$32,000 Per Year



*new methodology

Why this is important:

This measure tells us the number of jobs in Iowa that require some postsecondary education and pay a good wage. It is also an indicator of how well the state is meeting the skill needs of businesses that pay good wages. The measure tells us if the number of jobs that pay well and require higher education are growing or not.

What we're doing about this:

We implemented the Iowa Values Fund to increase state marketing, business financial assistance, university research and other activities to encourage the growth of firms in the high wage, high-skill industry clusters of life sciences, information solutions, and advanced manufacturing.

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Baldrige Award Criteria for Performance Excellence (adapted)

- 1. How an agency sets and communicates direction and supports key communities**
- 2. How the organization looks to the future**
- 3. How customers and their requirements are identified**
- 4. How data is used in decision making**
- 5. How the agency develops employees and encourages innovation and learning**
- 6. How day-to-day operations are managed and improved**
- 7. What results were achieved**

**It's hard to
change the
DNA**

Three Transformational Innovations

✠ Charter Agencies

✠ Entrepreneurial Management (aka Enterprise Management)

✠ Purchasing Results (aka Budgeting for Outcomes)

CHARTER AGENCIES

A Different Deal

TRADITIONAL DEAL

If you . . .

- Obey the rules and
- Make no mistakes

Then we will . . .

- Keep funding you (sort of)

CHARTER AGENCY DEAL

If you . . .

- **Agree to be accountable for measurable results for Iowans and**
- **Contribute to the budget fix**

Then we will . . .

- **Give you more authority and autonomy and subject you to less bureaucracy**

The **old, bureaucratic** deal holds agencies accountable for

RULES



And

Results

The **new, reinvented** deal holds agencies accountable for

RULES

And

RESULTS



Department of Human Services Results

- ✦ **Child Welfare stays in shelter care have been reduced by 20% or 10 days.**
- ✦ **33% more low-income children now have access to health care coverage via the *hawk-i* program (July 1, 2003 to Dec. 31, 2005).**
- ✦ **Preferred Drug List for Medicaid prescription drugs saved \$1.7 million in the first quarter. (January-March, 2005)**
- ✦ **Increased the number of eligible Iowans receiving food and nutrition benefits by 69,000 (44% increase) in the last 2 ½ years.**
- ✦ **Increased Title IV-E eligibility (for child welfare services) from 28% in June, 2003 to over 45% in March, 2006.**

Department of Natural Resources Results

- ✠ Reduced turnaround time for air quality construction permits from 62 to 6 days and eliminated a backlog of 600 in six months
- ✠ Reduced turnaround time for wastewater construction permits from 28 months to 4.5 months
- ✠ Reduced the time for landfill permits from 187 to 30 days
- ✠ Reduced the time for a corrective action decisions on leaking underground storage tanks from 1,124 days to 90 days
(All the above reductions were accomplished without sacrificing environmental standards or quality)
- ✠ In FY04, Pollution Prevention Interns helped Iowa companies save more than \$2.2 million through the adoption of environmental efficiencies. Savings in FY05 reached \$4.1 million.

Iowa Veterans Home Results


- ✦ **Reduced by 40% the number of residents who have moderate to severe pain. 9% now experience this pain, compared to 15.5% in FY03.**
- ✦ **The Iowa Veterans Home compares itself to other long-term care facilities in Iowa using 32 Quality Indicators. We started FY04 with 55% of those measures exceeding the performance of other facilities. The most recent performance (end of FY06) shows the Veterans Home exceeding others in 66% of those measures.**
- ✦ **The Iowa Veterans Home has improved their admissions process. In FY04, 69% of admissions were completed within 30 days. That rate has now increased to 90%**

Department of Corrections Results

- ✦ **More probationers are successfully completing their probation periods; failure rate reduced by 17%.**
- ✦ **Effective services to inmates resulted in an increase in recommendations for release to the Parole Board by 5% over a year ago.**
- ✦ **Overall inmate labor experience (in hours) on community service projects is up 7% through the first three quarters of FY06. The increase for women inmates was 24%.**
- ✦ **Provided good work experiences for 50% more women inmates, while reducing operating costs by \$700,000/year. Women inmate work experiences are also increasing because Corrections and Administrative Services are partnering in printing.**

Department of Revenue Results

 Improved the rate of income tax returns filed electronically from 55% to 67%

 Improved the rate of individual income tax refunds issued within 45 days from 75% to 94%

Alcoholic Beverages Division Results

✦ Increased alcoholic beverages-related General Fund revenue by \$9.7 million in FY04 through variable wholesale pricing, increasing investment in supplier-discounted products, and decreasing operating expenses.

✦ For FY05, the figure was \$11.6 million.

Achievement of the annual \$15 million target for savings/ entrepreneurial revenues:

✦ **FY04 actual: \$22 million**

✦ **FY05 actual: \$20 million**

✦ **FY06 estimated: \$40 million**

Bureaucracy Busting

- ✦ “Stand in the shoes” authority (for HR, GS & IT)

- ✦ Waive administrative rules

- ✦ Authority to retain funds

- ✦ Exemption from FTE caps

- ✦ Exemption from across-the-board budget cuts

- ✦ Authority to purchase tickets directly

- ✦ Exemption from seeking Executive Council approval

Examples of responsible use of Charter Agency authority and flexibilities:

- ✦ Replaced a wrecked car in a matter of days, instead of 15 months (independent purchasing authority)
- ✦ Reduced turnaround times on personnel actions from months to days (independent personnel authority)
- ✦ Corrections saved \$200,000 by developing a new pharmaceutical bidding process and renegotiating drug costs (independent purchasing authority).
More savings are being achieved by increasing the number of telemedicine visits from 313 in FY03 to 468 in FY04

Cont'd

- ✦ **DNR saved \$38,281 per year by bringing contracted work back in; DHS converted five contracted positions to FTEs and saved \$210,000 per year (no FTE cap)**
- ✦ **Saved money on air tickets, e.g. Des Moines-San Antonio for \$444 instead of \$656 (independent purchasing authority).**
- ✦ **Eliminated the M-40 form, speeding intern hiring from 10 days to one day (independent personnel authority)**

Cont'd

- ✱ DHS and Vets Home waived administrative rules to correct personnel systems “errors,” in one case to provide compensation already earned and in the other to recognize an employee who took on extra work and saved her department \$18,000 (independent personnel authority)
- ✱ Revenue overlapped CFOs for several months
- ✱ Ability to hire the people you need to hire

“Halo” Effect

To learn more:

<http://charter.iowa.gov>

Entrepreneurial Management

**How can internal
services become
more responsive to
customers,
including on cost?**

Entrepreneurial Management

All Internal Services are either:

- ◆ **Marketplace**
- ◆ **Utility**
- ◆ **Leadership**

Bottom Line: Customers Rule

Entrepreneurial Management

FY07 General Services Rates

- ◆5 are lower
- ◆5 stayed the same
- ◆1 is higher

Bottom Line: Customers Rule

Entrepreneurial Management

FY08 General Services Rates

- ◆6 are lower
- ◆2 stayed the same
- ◆3 are higher

Net Savings: \$1,176,897

Bottom Line: Customers Rule

The Print Shop's Story . . .

- ✦ From 21 to 12 employees; same revenue**
- ✦ Specialization deal with Prison Industries**
- ✦ Analyzed work; redeployed people and equipment; went to three shifts**
- ✦ Reduced space**
- ✦ More accurate invoices**

More Print Shop . . .

- ✦ **Renegotiated vendor contracts**
- ✦ **Merged print and mail delivery services**
- ✦ **Engaged the union in marketing**
- ✦ **“Black Ink” party: from \$300,000 in the red to \$150,000 in the black in one year**

The Budget . . .

the longest lever

Traditional Government Budgeting . . .

- ✦ Fund departments, fund costs
- ✦ Inertia maintains current spending
- ✦ Focus on incremental changes
- ✦ Dollars spent are what's most important

Same old, same old . . .

✠ Rob other funds

✠ Use accounting
tricks

✠ Borrow

✠ Defer
maintenance
and purchases

✠ Sell assets

✠ Fudge
assumptions

✠ Take it out on
employees

A New Budget Process – Purchasing Results

Old Budgeting

- ✦ Fund departments, fund costs
- ✦ Inertia maintains current spending
- ✦ Focus on incremental changes
- ✦ Dollars spent are most important

New Budgeting

- ✦ Purchase results
- ✦ Prioritization forces choices
- ✦ Examine the entire budget
- ✦ Value received is most important

A Marketplace of Choices . . .

- ✦ Buyers and Sellers

- ✦ Result Areas and Allocations

- ✦ RFPs (RFRs) and Offers

- ✦ Negotiations and Bargaining

- ✦ “Drilling Platforms”
(prioritized lists of choices)

Buyers and Sellers . . .

Buyers:

- ✠ Taxpayers and citizens
- ✠ Elected representatives
- ✠ “Buying Teams”

Sellers:

- ✠ Departments and Agencies
- ✠ Other units of government?
- ✠ Others?

Result Areas and Allocations

- 1. Education**
- 2. Health & Human Services**
- 3. Economic Development**
- 4. Justice**
- 5. Agriculture & Natural Resources**
- 6. Transportation, Infrastructure & Capitols**
- 7. Administration & Regulation**

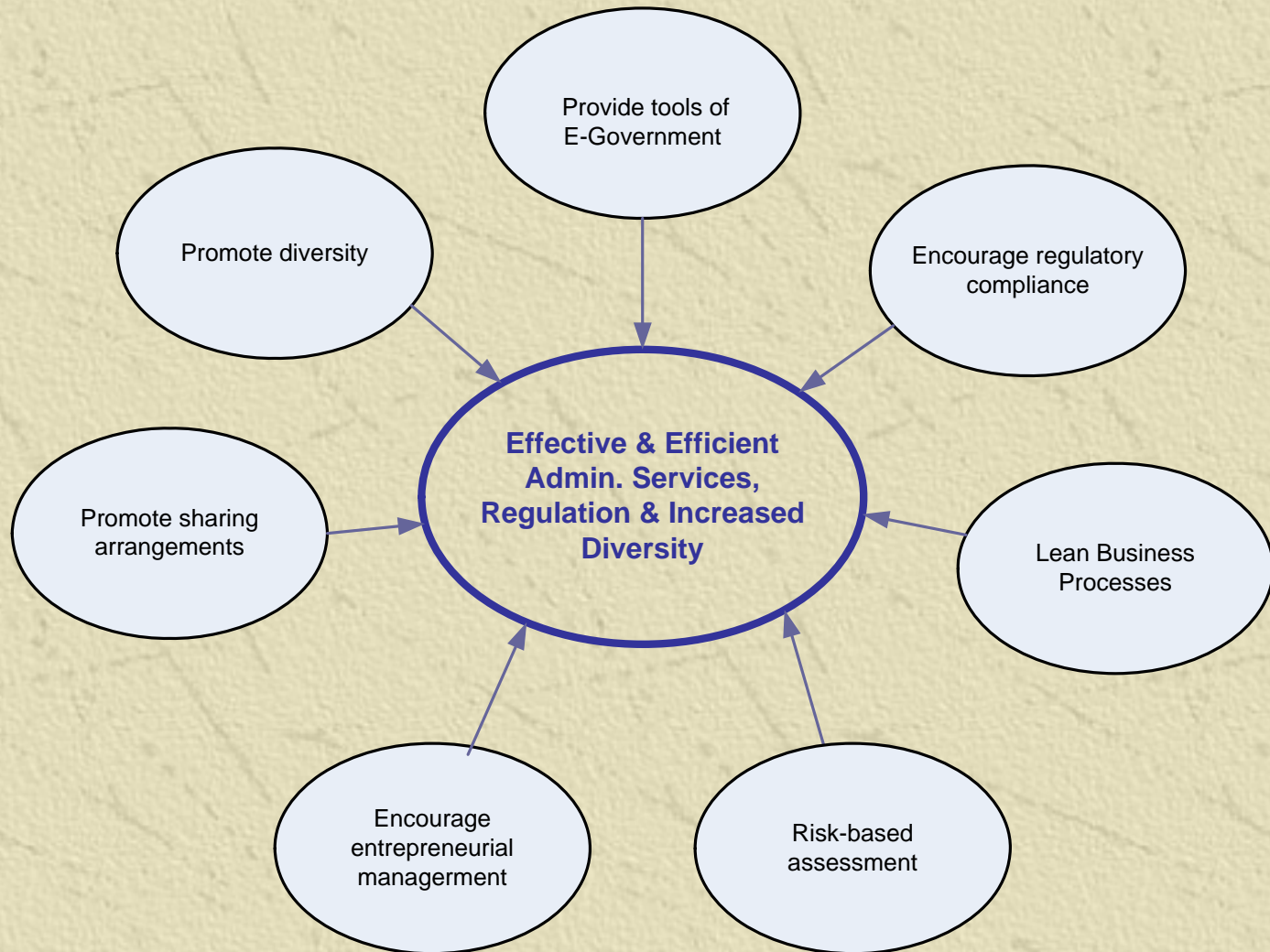
Requests for Results

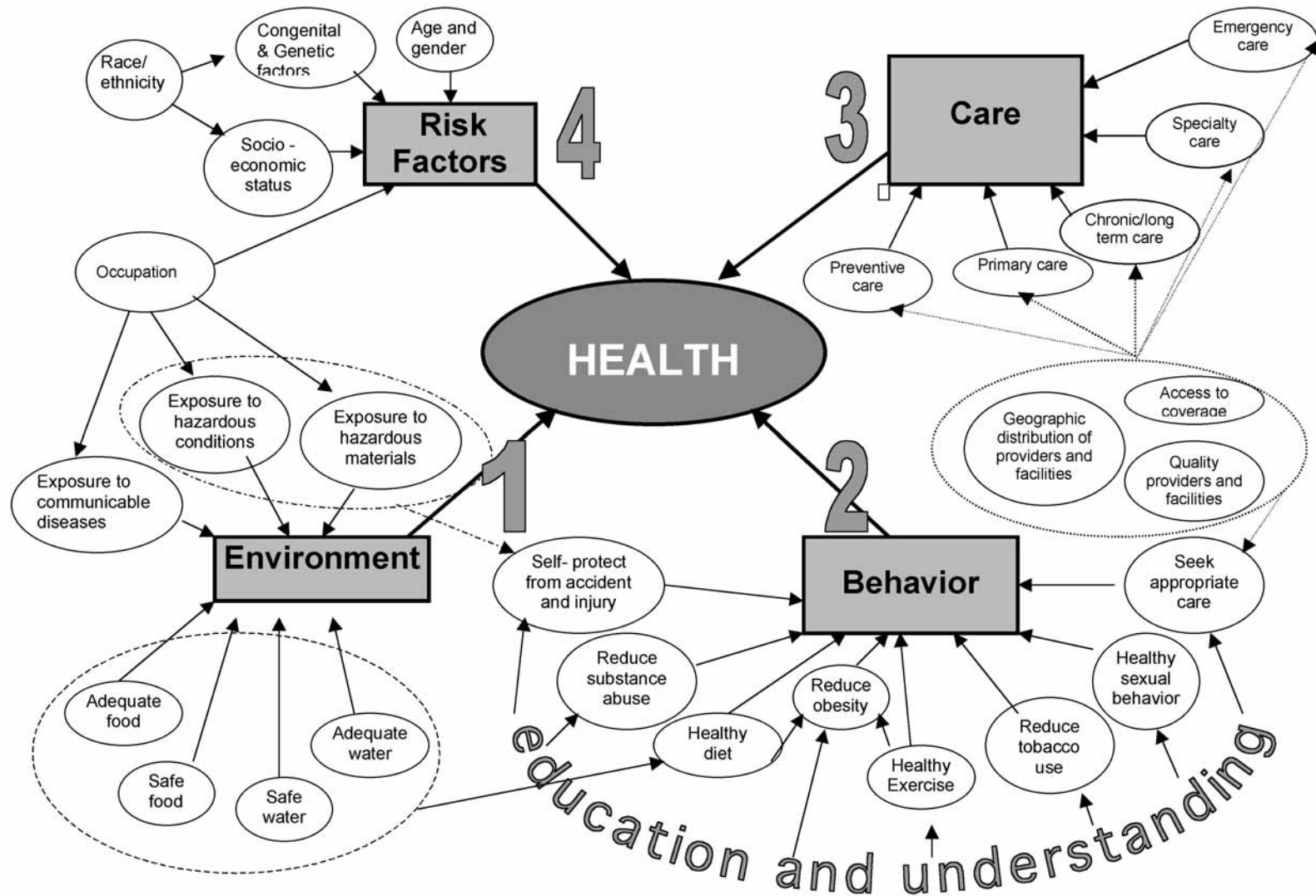
✦ **Indicators**

✦ **Purchasing Strategies**

✦ **Strategy Map**

ADMINISTRATION & REGULATION BUYING TEAM





Offers

✦ **Description** (what we'll do, the activities)

✦ **Justification** (what we'll accomplish, the results)

✦ **Measures** (how you'll know)

✦ **Price** (what it will cost for these results)

Negotiations & Bargaining

- ✠ Guide sellers

- ✠ Coach on how to improve value

- ✠ What could we get for a different price?

- ✠ “Can’t afford it. It’s currently ‘below the line.’”

Purchasing Priorities: Transform the Iowa Economy

HIGHER
PRIORITIES



\$252,185,065
Total Resources

\$34,807,183

Funded Priorities

\$160,000,000	Iowa Values Fund /Bioscience Pathway (Battelle)
\$6,511,000	Stimulate Economic Growth (Regents)
\$1,141,222	Traditional Infrastructure for New Economy
\$12,074,111	Iowa's Great Places
\$6,283,912	Development of Major Attractions
\$9,164,647	Business Financial Assistance
\$47,724	Job Training for New and Existing Employees
\$20,457,455	Business/Industry Regulatory Support
\$5,622,919	Expanding Iowa's Productive Workforce
\$3,883,628	Research and Education (Library) Investment Support
\$90,837	Labor Commissioner Appeals/TSB Certification
\$564,020	Downtown Resource Development/Main Street
\$6,417,315	Business Development and Marketing
\$995,648	Growing Regional Strategies
\$259,937	Disability Services Support Programs
\$580,005	Minority Services Support Programs
\$4,504,081	State Housing Trust Fund
\$40,000	Employer Risk Management
\$4,989,604	Racing and Gaming
\$6,525,000	Rural Workforce Development Office Support
\$1,400,000	Tourism Promotion
\$75,000	Asian/Pacific Islander Commission
\$557,000	IWD OSHA, Work Comp., Wage Collection

Unfunded Priorities

\$336,000	Skills Standards Initiative
\$246,183	Human Resource Recruitment
\$130,000	Expand the Iowa Waste Exchange
\$5,000,000	Rural Development Through Natural Resources
\$125,000	E-Marketing of Outdoor Recreation
\$17,550,000	Spur Iowa's Creative Economy Initiative (SPICE)
\$15,200,000	Iowa's Story/My History/Cultural Think Tank



State of Iowa - Purchasing Results

Welcome!

Governor Tom Vilsack and Lt. Governor Sally Pederson have a better way to build their budget. This new process, Purchasing Results, achieves the most value for Iowans with the limited money available.

Bureaucratic budgeting starts with last year's budget and makes incremental adjustments. Not much improves that way. Good new ideas have trouble breaking through and mediocre old activities rarely go away. Purchasing Results turns bureaucratic budgeting on its head by subjecting all spending ideas, new and old, to negotiation and then prioritizing. The ones that add the most value are funded; the others are not.

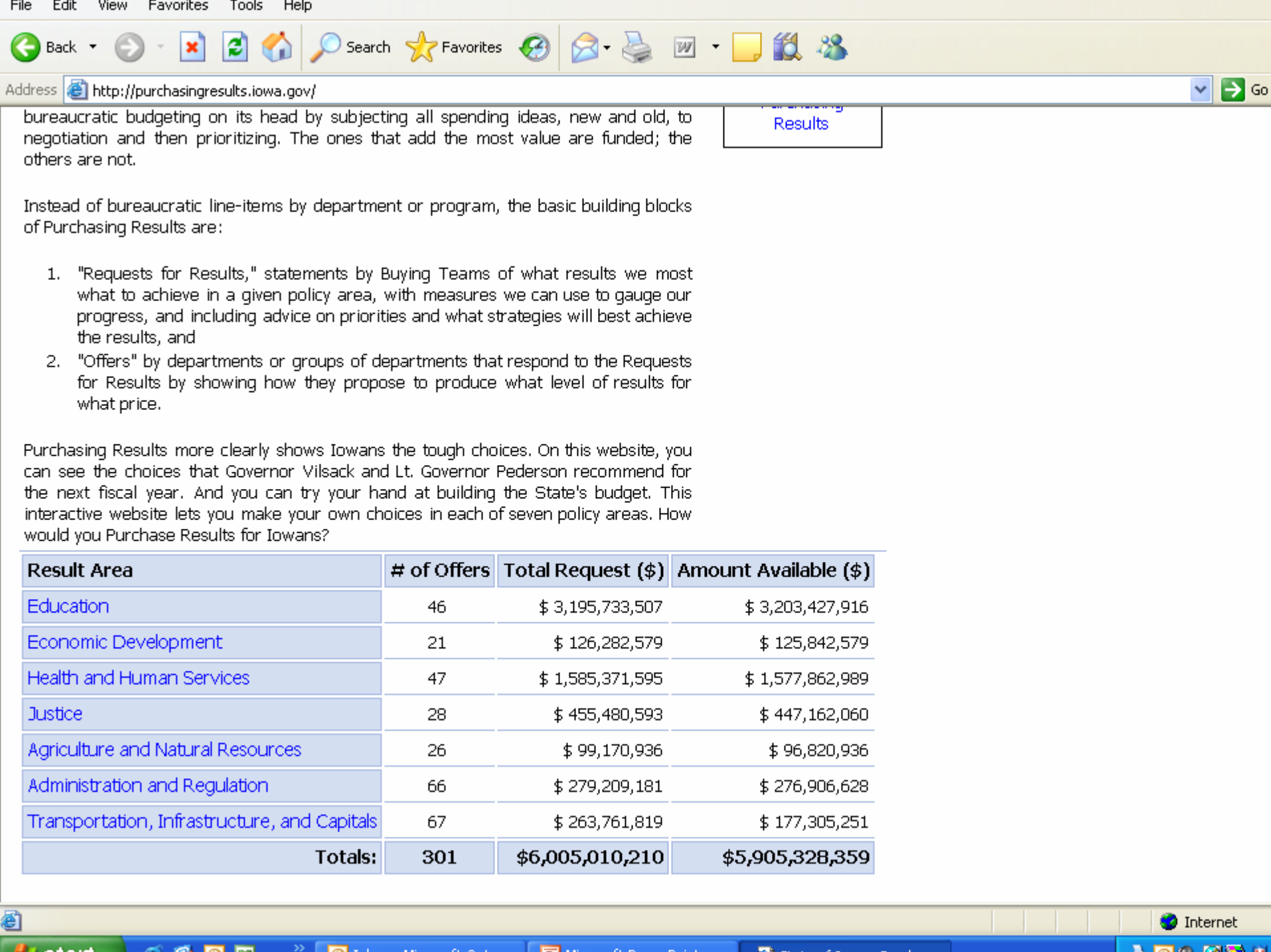
Instead of bureaucratic line-items by department or program, the basic building blocks of Purchasing Results are:

1. "Requests for Results," statements by Buying Teams of what results we most want to achieve in a given policy area, with measures we can use to gauge our progress, and including advice on priorities and what strategies will best achieve the results, and
2. "Offers" by departments or groups of departments that respond to the Requests for Results by showing how they propose to produce what level of results for

Related Links

[Purchasing Results Home Page](#)

[Overview of Purchasing Results](#)



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2. "Offers" by departments or groups of departments that respond to the Requests for Results by showing how they propose to produce what level of results for what price.

Purchasing Results more clearly shows Iowans the tough choices. On this website, you can see the choices that Governor Vilsack and Lt. Governor Pederson recommend for the next fiscal year. And you can try your hand at building the State's budget. This interactive website lets you make your own choices in each of seven policy areas. How would you Purchase Results for Iowans?

Result Area	# of Offers	Total Request (\$)	Amount Available (\$)
Education	46	\$ 3,195,733,507	\$ 3,203,427,916
Economic Development	21	\$ 126,282,579	\$ 125,842,579
Health and Human Services	47	\$ 1,585,371,595	\$ 1,577,862,989
Justice	28	\$ 455,480,593	\$ 447,162,060
Agriculture and Natural Resources	26	\$ 99,170,936	\$ 96,820,936
Administration and Regulation	66	\$ 279,209,181	\$ 276,906,628
Transportation, Infrastructure, and Capitals	67	\$ 263,761,819	\$ 177,305,251
Totals:	301	\$6,005,010,210	\$5,905,328,359



State of Iowa - Purchasing Results

Welcome!

These are the fiscal year 2007 purchasing choices for **Health and Human Services**. The Health and Human Services Buying Team began its work by telling the sellers (state departments or agencies) what they wanted to buy. They did this in a "Request for Results" (see the links on the right side of this page). This document outlined the results the Buying Team wanted to be achieved and gave sellers advice about priorities and the strategies that the Buying Team believes would be most productive in producing the desired results. The "Strategy Map" shows the cause-and-effect relationships that turn our resources into results. Each Offer was submitted in response to this Request for Results.

The prioritized list of Offers you see below reflect the Governor and Lt. Governor's commendation for how to best use the money available to achieve the best Health and Human Services results for Iowans. The Offers at the top of the list provide the most value; the Offers at the bottom the least value. So we use the first dollars to purchase the highest-priority Offers, and so on. A line is drawn to show where the money runs out.

Click on the "Fund" or "Not Fund" box for each Offer below to decide which ones you would buy, or not buy. See the "Amount Remaining" box to know how much you have left as you make your choices. Please note that the dollar amounts here represent *all appropriated funds*, not just State of Iowa General Fund dollars

Related Links

[Purchasing Results Home Page](#)

[Overview of Purchasing Results](#)

[Request for Results](#)

[Strategy Map](#)

[Back to Summary Page](#)

Health and Human Services



Budget	Funded	Remaining
\$1,577,862,989	\$1,577,862,989	\$0


Offer Number	Offer Name		Total Price
Funded Priorities			
401_HHS_006	Fund	Offer 401_HHS_006 by Human Services State Child Health Insurance Program/Hawk-i	\$20,377,584
401_HHS_007	Fund	Offer 401_HHS_007 by Human Services Child Care	\$24,447,517
588_HHS_005	Fund	Offer 588_HHS_005 by Public Health, Dept of Healthy Children and Families	\$2,171,190
401_HHS_003	Fund	Offer 401_HHS_003 by Human Services Medical Assistance and Medical Contracts	\$885,401,770
588_HHS_015	Fund	Offer 588_HHS_015 by Public Health, Dept of Defeating Infectious Diseases	\$1,140,887
401_HHS_009	Fund	Offer 401_HHS_009 by Human Services Child Welfare and Juvenile Justice Community Services	\$106,707,806
401_HHS_005	Fund	Offer 401_HHS_005 by Human Services Health Insurance Premium Payment	\$634,162
588_HHS_001	Fund	Offer 588_HHS_001 by Public Health, Dept of Addiction Free Iowa	\$29,711,871
401_HHS_004	Fund	Offer 401_HHS_004 by Human Services IowaCare	\$95,960,447
401_HHS_011	Fund	Offer 401_HHS_011 by Human Services Adoption	\$35,314,072
401_HHS_002	Fund	Offer 401_HHS_002 by Human Services Child Support	\$8,677,662

<http://purchasingresults.iowa.gov/detail.aspx?id=HHS>

Go

401_HHS_013	Fund 	Offer 401_HHS_013 by Human Services Mental Health Institutes	\$20,508,058
401_HHS_014	Fund 	Offer 401_HHS_014 by Human Services Resource Centers	\$23,302,660
401_HHS_017	Fund 	Offer 401_HHS_017 by Human Services Improve Services to Family Investment Program Participants (FEDERALLY FUNDED)	
401_HHS_016	Fund 	Offer 401_HHS_016 by Human Services Civil Commitment Unit for Sexual Offenders	\$4,757,704
270_HHS_005	Fund 	Offer 270_HHS_005 by Finance Authority Home and Community Based Services Rent Subsidy Program	\$700,000
297_HHS_008	Fund 	Offer 297_HHS_008 by Elder Affairs, Dept of Elder Affairs Special Projects	\$39,082

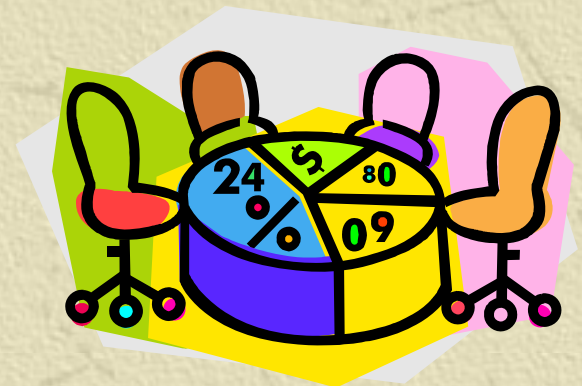
Unfunded Priorities

401_HHS_019	Not Fund 	Offer 401_HHS_019 by Human Services Greater Self-sufficiency for Iowans with Disabilities	\$600,000
270_HHS_006	Not Fund 	Offer 270_HHS_006 by Finance Authority Home and Community Based Services Revolving Loan Program	\$2,000,000
270_HHS_004	Not Fund 	Offer 270_HHS_004 by Finance Authority Transitional Housing Revolving Loan	\$1,400,000
270_HHS_007	Not Fund 	Offer 270_HHS_007 by Finance Authority Senior Living Revolving Loan Program	\$3,000,000
297_HHS_005	Not Fund 	Offer 297_HHS_005 by Elder Affairs, Dept of Substitute Decision Maker	\$395,517
671_HHS_002	Not Fund 	Offer 671_HHS_002 by Veterans Affairs, Dept of Cemetery Development	\$80,280
588_HHS_021	Not Fund 	Offer 588_HHS_021 by Public Health, Dept of Department of Health DAS Billings	\$32,809

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Benefits in Iowa

- ✦ More value for the dollar
- ✦ Breaking down agency walls
- ✦ The first \$ for the highest priorities
- ✦ The conversations changed



I O W A



GREAT PLACES

October 11, 2005

Examples . . .

✦ **Dept. of Corrections Offer**

✦ **Early Childhood Offer**

✦ **Winning Compliance Offer**

✦ **Dept. of Revenue Collections**

✦ **Showing Tobacco Tax Increase
Choices**

**One budget process,
not two**

Washington Led the Way

- ✠ Iowa
- ✠ Michigan
- ✠ South Carolina
- ✠ Single departments in Oregon & Louisiana
- ✠ Snohomish County, WA
- ✠ Multnomah County, OR
- ✠ Mesa County, CO
- ✠ National Bank of Canada
- ✠ Azusa, CA
- ✠ Dallas, TX
- ✠ Fort Collins, CO
- ✠ Grand Rapids, MI
- ✠ Los Angeles, CA
- ✠ Spokane, WA
- ✠ Jefferson County Schools, CO
- ✠ Billings Schools, MT

Step One: Setting the Price?

More Resources . . .

✧ *The Price of Government: Getting the Government We Need in an Age of Permanent Fiscal Crisis* by David Osborne and Peter Hutchinson

✧ Other jurisdiction contacts

✧ <http://purchasingresults.iowa.gov/>

✧ Sample Iowa materials (RFRs, Offers, drilling platforms)

A new life for Quality . . .

Lean Tools

✦ Kaizen

✦ Six Sigma

✦ 5S

✦ and more . . .

Kaizen

Air Quality Construction Permit Lead Time

✦ Old Process: 62 days

✦ New Process: 6 days

Clean Water Construction Project Loans & Approvals

✦ Old Process: 28 months

✦ New Process: 4.5 months

Landfill Permits

✦ Old Process: 187 days

✦ New Process: 30 days

Kaizen

Leaking Underground Storage Tanks

✦ Old Process: 425 days

✦ New Process: 15 days

Leaking Underground Storage Tanks – Corrective Action Decision

✦ Old Process: 1,124 days

✦ New Process: 90 days

Sovereign Lands Permits/Environmental Reviews

✦ Old Process: 163 days

✦ New Process: 86 days

Kaizen and Zoom

NPDES (Wastewater) Permits

Old Process: 425 days

New Process: 15 days

Social Worker License Renewal

Old Process: 21 days

New Process: 2 days

Veteran Home Incident Report Turn-Around Time

Old Process: 54 days

New Process: 2 days

Zoom

Civil Rights Investigations

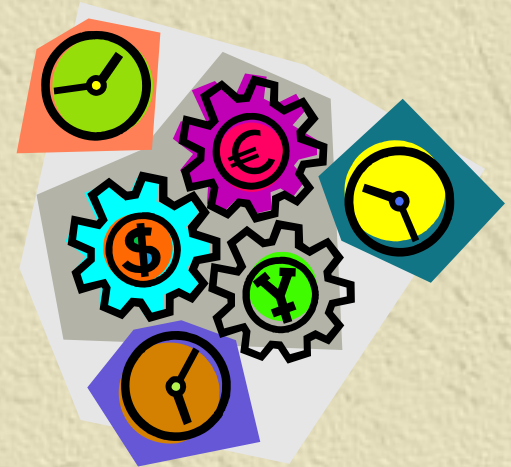
- ✦ Old Process: 9 months/case
- ✦ New Process: 4 months/case

Contract Renewal

- ✦ Old Process: 23 days
- ✦ New Process: 1.1 days

Paternity Affidavit

- ✦ Old Process: 12.3 days
- ✦ New Process: 5 days



Keys to Transformation Success

**When you're riding
a dead horse,
the best strategy is
to dismount.**

COURAGEOUS LEADERSHIP

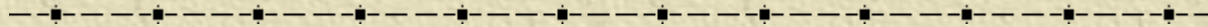
The Iowa Reinvention Partnership

- ✠ Need for Transformation (we'd tried everything else)
- ✠ RFP for a transformation partner
- ✠ Umbrella partnership deal with The Public Strategies Group; no money down
- ✠ Reinvention Projects
- ✠ Reinvention Services

*Don't let perfect
be the enemy of
good.*

**“The only man who never
makes a mistake is the man
who never does anything.”**

Teddy Roosevelt



**“Learn from the mistakes of others.
It is impossible, even in a long life, to
make them all yourself.” Sidd Finch**

HARVARD
UNIVERSITY



JOHN F. KENNEDY
SCHOOL OF GOVERNMENT

INNOVATIONS IN AMERICAN GOVERNMENT AWARDS

This certifies that

Charter Agencies
State of Iowa

has been named a

Winner

in the 2005 Innovations in American Government Awards competition

DAVID R. GERGEN
*Chairman, National Selection
Committee*

GOWHER RIZVI
*Director, Ash Institute for Democratic
Governance and Innovation*

STEPHEN GOLDSMITH
*Director, Innovations in American
Government Awards Program*

The Innovations Awards program is an initiative of the Ash Institute for Democratic Governance and Innovation



2004
INNOVATIONS AWARD

IOWA
Charter Agencies

*The Council of
State Governments*

Buy-In

✚ **Legislators**

✚ **Managers and Employees**

✚ **Stakeholders**

✚ **Media**

Communicate
Communicate
Communicate
and Listen


(What's in it for me?)

Synergy Among the Innovations

(Culture Change)

 **Charter Agencies make better Offers**

 **Charter Agencies push Customer Councils**

 **Purchasing Results reinforces Entrepreneurial Management**

The Bottom Line . . .

✦ **Services improve**

✦ **We focus on what's most important**

✦ **Citizens perceive greater value; they reconnect with their government**

(and life is better in government)

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed it’s the only thing that ever has.”

Margaret Mead

THANK YOU

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